

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7330

BILL NUMBER: SB 459

NOTE PREPARED: Feb 3, 2009

BILL AMENDED:

SUBJECT: Bureau of Motor Vehicles Services.

FIRST AUTHOR: Sen. Merritt

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill: (1) deletes the requirement that certain specified provisions be included in a contract between a partial services provider and the Bureau of Motor Vehicles (BMV); (2) makes it a Class B misdemeanor for an employee of a service provider of the BMV to recklessly issue a registration on any vehicle without collecting the License Excise Tax required to be collected with the registration; (3) makes it a Class B misdemeanor for an employee of a service provider of the BMV to recklessly, knowingly, or intentionally fail to deposit License Excise Taxes required to be deposited; and (4) makes conforming amendments and technical corrections.

Effective Date: July 1, 2009.

Explanation of State Expenditures: Deleting the requirement that certain specified provisions be included in a contract between a partial services provider and the BMV should have little, if any, impact on the BMV and will likely make it easier for additional dealerships to participate in registration and titling of new vehicles. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

Background Information: As of September 2008, the BMV had partnered with 235 qualified dealerships in the state, conducting more than 104,000 transactions.

Explanation of State Revenues: *Penalty Provision:* The bill provides for a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

Explanation of Local Expenditures: *Penalty Provision:* A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provision:* If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. In addition, several additional fees may be collected at the discretion of the judge and depending upon the particular type of criminal case.

State Agencies Affected: BMV.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Sarah Meyer, Legislative Liaison, BMV, 317-232-1936.

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